

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

August 31, 1999

FROM: **CAROL T. SHEARER**
Assistant County Administrative Officer

SUBJECT: **ADOPTION OF AMENDED COUNTY POLICY 11-11 AND NEW COUNTY
POLICY 11-20**

RECOMMENDATION:

1. Adopt amended County Policy 11-11 regarding the County's Local Preference Policy.
2. Adopt new County Policy 11-20 regarding the selection and employment of private consultants/firms.

BACKGROUND INFORMATION: On July 27, 1999, the Board of Supervisors amended County Code Section 14.012(d) relating to the duties of the Purchasing Agent and added Section 14.0113 pertaining to contracts for services. This action amended County Code to require Board approval for services in excess of \$25,000 per vendor - per department of Board governed district - per fiscal year. It also requires the Auditor-Controller to provide a report to the Board and the CAO which shows when the aggregate amount of contracts and other expenditures for services exceeds \$75,000 per vendor, per fiscal year, countywide.

This action represented one of the first steps taken by the Board of Supervisors as part of an ongoing review of county procurement policies and procedures. The County Contracting & Purchasing Working Group, which was formed by the CAO to assist with this review effort, recommended these initial changes. Since these initial changes were approved in late July, the working group has continued to review related county policies for other changes that would help ensure a smooth implementation of the new ordinance and help to strengthen county procurement practices overall.

In the course of this review, the working group has identified the need for additional changes to county policy related to the selection process for private consultants/firms and the local preference policy. The proposed changes are briefly described below.

County Policy 11-11

Currently, County Policy 11-11 addresses both the local preference program and the selection of private consultants. The working group is recommending that County Policy 11-11 be revised to address only the local preference program, and that a new policy be created (County Policy 11-20) to address the selection of private consultants. No other changes to the local preference policy are recommended at this time. Instead this will be reviewed during the overall evaluation of policies and procedures, which the working group has been charged with accomplishing.

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County Policy 11-20 (new)

The proposed new County Policy 11-20 addresses the selection process for all private consultants/firms except those in the professional construction related fields (architects, engineers, surveyors, etc.) since the selection process for them is already established by county policy. The working group is recommending a "tiered approach" for the selection of all other consultants based on dollar values as follows:

- **Up to \$25,000** – Departments are encouraged to use competitive processes, such as written or phone quotes from three or more sources. The CAO's working group will develop more definitive guidelines over the next several months for these low value acquisitions. As a matter of common practice, many departments already routinely get bids or quotes in these instances.
- **\$25,001 to \$75,000** – County departments would be required to: 1) prepare a written scope or description of work; and 2) conduct a solicitation process which results in at least three valid proposals. (Departments are encouraged to solicit proposals from as many vendors as practical.)

At this level, although Board pre-approval of the RFP would not be required, approval of the contract for service itself would come to the Board. Departments would be required to describe the selection process in the Board agenda item.

- **Over \$75,000** – This tier would require the formal Request for Proposal (RFP) process, which involves having the Board approve the RFP prior to its issuance. Thus, at this level, both the solicitation and purchasing approval require Board action.

The working group is recommending these specific dollar levels because they mirror those used in the California Uniform Public Construction Cost Accounting Act, and are more conservative than the \$100,000 limit allowed elsewhere in state law.

REVIEW BY OTHERS: The proposed changes were presented and discussed at Cabinet on August 11, 1999. This action has been reviewed by County Counsel.

FINANCIAL IMPACT: None

SUPERVISORIAL DISTRICT(S): All

PRESENTER: CAROL T. SHEARER, Assistant County Administrative Officer